

APPROVED

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
REGULAR MEETING MINUTES

JULY 19, 2018

365 Old York Road, Flemington, New Jersey
(908) 782-7453 Office (908) 782-7466 Fax

1. **MEETING CALLED TO ORDER AT 5:00 PM**

The meeting of the Raritan Township Municipal Utilities Authority (RTMUA) was called to order stating that the meeting had been advertised in accordance with the Open Public Meetings Act setting forth the time with the RTMUA office as the place of said meeting. It was further stated that a copy of the Agenda was posted on the RTMUA office bulletin board.

2. **ATTENDANCE ROLL CALL:**

Mr. Grand	Absent
Mr. Hazard	Absent
Mr. Kendzulak, Jr.	Here
Mrs. Robitzski	Here
Mr. Tully	Here

Also present were Gregory LaFerla, RTMUA Chief Operator / Director; Regina Nicaretta, RTMUA Executive Secretary; Daniel Madden, PE, Johnson, Mirmiran & Thompson; C. Gregory Watts, Esquire, Watts, Tice & Skowronek.

3. **PLEDGE OF ALLEGIANCE**

4. **APPLICATIONS:**

None

5. **RESOLUTIONS:**

TABLED

Resolution #2018-56 Resolution of Appreciation to Peter L. Kinsella for Service to Raritan Township Municipal Utilities Authority

Resolution #2018-57 Approval for Payment Application #2 Final Payment Commerce Street Repairs Project

Mr. Tully made a motion to approve Resolution #2018 - 57, Mrs. Robitzski seconded the motion.

Roll call vote:	Mr. Grand	-	Absent
	Mr. Hazard	-	Absent
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

Resolution #2018-58 Amendment of Resolution #2018-17 for Appointment of Auditor and Awarding of Contract

(Not to Exceed \$49,000.00)

Mrs. Robitzski made a motion to approve Resolution #2018 - 58, Mr. Tully seconded the motion.

Roll call vote:	Mr. Grand	-	Absent
	Mr. Hazard	-	Absent
	Mr. Kendzulak, Jr.	-	Yes
	Mrs. Robitzski	-	Yes
	Mr. Tully	-	Yes

8. Citizens' Privilege:

Mr. Watts – I want to give the Board a little background then Johanna Foods is here with their attorney, Mr. Koester and Mr. Saracini is here from Johanna Foods. The issue before the Authority is that we have billed Johanna Foods a surcharge for exceedances in the effluent that was sent to us, pursuant to our Rules and Regulations. There is a method by which we calculate based upon the strength of the flow, what the surcharge is. We have billed that surcharge and because it was not paid prior to the end of last year, it is subject to being added to the Township's tax sale which is coming up in about a month or so. Johanna has come forward and approached us to resolve the outstanding balance and we've learned in between that there has been another exceedance but we have not had an opportunity to get the results back from our outside lab to determine the nature and extent of the exceedance and what additional charges might be. Johanna wants to wrap everything up in one ball. They would like to do it before the ad goes into the Democrat for Tax Sale. That has to be before our next meeting. We've had meetings with Johanna and I've also had a brief meeting with the Chairman and what I would like to recommend to the Authority, and I would like Johanna to comment to, is that when we get the results back from the second exceedance, whatever additional charges, if any, are lumped together and then Mr. LaFerla and I would come up with a proposal to the Authority members as to a payment to resolve all outstanding amounts. We would then have to have it approved by the Chairman, circulate it amongst the members, and if there is a consensus, then it can be approved and paid prior to our next meeting so the ad doesn't go into the newspaper. We would formalize it at the next meeting.

Mrs. Robitzski – When will we get the results?

Mr. Watts – As soon as possible.

Mr. LaFerla – There are still some results at the lab that we're waiting on. I asked Ms. Loudon to call the lab and try to rush them to get them to us. I'm hoping to get them by the end of next week at the latest.

Mr. Kendzulak, Jr. – What is the deadline in regards to the ad?

Mr. LaFerla – If it's not paid by August 9, 2018.

Mr. Kendzulak, Jr. – There's about two weeks to get this figured out.

Mr. Watts – There's always the possibility if we can't resolve the second one, we might resolve the first one and then avoid the publication.

Mr. Kendzulak, Jr. – I just want to make sure we're made whole; I'd like our engineer to take a look at the numbers and also weigh in on the cost to the Authority.

Mrs. Robitzski – Do we know the cost for 2017?

Mr. Watts – We know what we billed them; we don't know what if anything additional we have to bill them.

Mrs. Robitzski – For 2017, we billed Johanna Foods, and they know what that amount is. So that could be paid quickly.

Mr. Watts – Yes, but, since they're such a big user, we want to look into the methodology of assessing these additional charges to make sure they make sense because it is a cost per pound and we want to look at it and make sure that it is a fair way to assess those costs to make us whole. We don't want our users paying for additional costs for Johanna Foods and by the same token we don't want to bill Johanna Foods for charges we didn't incur. Mr. Koester, do you have anything to add to what has just been discussed?

Mr. Koester – I appreciate the process, Mr. Watts, it's what we had discussed. It's our hope that we can roll everything in and have an overall resolution. I think the process to work toward that makes sense in a two-week period. We thank the Commissioners for considering this.

9. **Adjourn into Closed Session by Motion, if Needed**

10. **Adjournment of Regular Meeting:**

Mr. Tully made a motion to adjourn the Regular Meeting. Mrs. Robitzski seconded the motion. All were in favor.

RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
WORK SESSION MINUTES

JULY 19, 2018

365 Old York Road, Flemington, New Jersey
(908) 782-7453 Office (908) 782-7466 Fax

APPROVED

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1. **The Work Session** of the Raritan Township Municipal Utilities Authority will be called to order upon the adjournment of the Regular Meeting.
 2. **Correspondence:**
None
 3. **Unfinished Business:**
None
 4. **New Business:**
None
 5. **Professional Reports:**
 - a) Attorney – None
 - b) Engineer –

Mr. Madden – We talked to the sludge holding tank people and they're going to be here probably the beginning of next week to fix that tank. We submitted the quarterly evaluation report; I think there's a copy attached in the back. We're showing a little bit of overrun for the quarter. We're a little over the 3.8 but there were some rain events but it's not as bad as it was the previous quarter. We've been working with Ms. Carmeli on the I & I plan because she's of the opinion that we should have this done ahead of the ACO so they see we're working on it and may not make it part of the ACO.

Mr. Kendzulak, Jr. – Seeing that we're actively addressing it.

Mr. Watts – We're convinced that they're going to want to have something in ACO about it so we're trying to be proactive with a plan to show them to try to limit the extent to which they may want to make us do it.

Mr. Madden – We did have the grouting contractor come to look at that pump station; they got back to me with prices but I'm going to go out and check a couple of others. One charges a lower crew fee but a higher cost per gallon of material and other ones do it a different way and it's kind of comparing apples to

oranges so I want to get a better reading on it before we proceed. The grouts are all very similar. We're still working with the contractor on the Route 31 Interceptor Project to settle the claim with the high school so that's up in the air. The contractor is complaining he hasn't received payment for the extra work.

Mr. LaFerla – Did you get the email Mrs. Struening forwarded to you from Ms. Corbin from the high school? She's waiting for a bill from you for the extra work so they can send us the check so we can pay the contractor. As soon as you send her the info, we can send out a check. Call Ms. Corbin and talk to her.

Mr. Madden - We were out today, they started smoke testing on South Main Street. They finished that section, Village Commons. They found smoke coming from a storm inlet. They narrowed it down to a hole in the storm pipe about two feet outside of the inlet. There's a lateral that comes nearby and they tried to send the lateral camera up the lateral and it hits a break, the lateral is broken.

Mr. LaFerla – Right down from Village Commons.

Mr. Madden – They're going to have to go back out there into the storm drain. I think you might have storm drain flow going into the sewer because the sewer is lower than the storm drain.

Mr. Kendzulak, Jr. – We did see a break in the storm pipe?

Mr. Madden – Yes and smoke was coming out from the sanitary sewer.

(many people speaking at once)

Mr. Kendzulak, Jr. – Can we tell how much flow is getting into the sanitary sewer by plugging it up and ran some water through it and then looked to see how much water was getting into our manhole?

Mr. Tully – Can you let me know when you go, I'd like to go out too.

Mr. Kendzulak, Jr. – As far as the clarifiers, we're taking bids later this month?

Ms. Nicaretta – July 31st.

Mr. Kendzulak, Jr. – Will we be looking to award that at the August meeting?

Ms. Nicaretta – No, the bid results will be under the Discussion Section of next months agenda and it would be awarded at the September meeting.

Mr. Kendzulak, Jr. – Did many people pick up the bid documents?

Ms. Nicaretta – Mrs. Wohlleb gave me the plan holders list but I don't remember how many were on it. Mr. LaFerla and Mr. Frank gave around seven tours to contractors so maybe at least seven.

Mr. Kendzulak, Jr. – Creekside is moving forward? How much more do they have left of sewer inspections?

Mr. Madden – I think they should be done with the sewer by the end of September.

Mr. Kendzulak, Jr. – I don't know how far off they are from issuing CO's.

Ms. Nicaretta – They've gotten about ten Certificate of Compliances from us.

Mr. Tully – I think maybe four of them. I heard that they sold thirty-five units already; so that's ten percent.

Mr. Kendzulak, Jr. – When are they going to start the COAH units?

Ms. Nicaretta – They may have started one, I gave them a Connection Permit for one of those buildings and one for one of the condo or townhouse units.

Mr. Tully – Yes, they just started the one closest to Pennsylvania Avenue.

6. RTMUA Reports:

a) ADMINISTRATIVE / OPERATIONS REPORT

1. Chief Operator / Director's Report
 - a) Overtime Recap
 - b) Septage / Greywater Recap
2. Laboratory Summary
3. Maintenance Summary
4. Readington Flows

Mr. Kendzulak, Jr. – I see that they're down but I still want to pursue that.

Mr. Watts – I went back through my file, I have memos going back to 2011 to Mr. Miller. Basically, the Service Agreement limits them to 125,000 gallons per day. It also provides that the parties agree to enter into such other agreements as maybe necessary to give effect to the underlying Service Agreement. The way I read that is, I think we're in our rights to ask them for an Agreement or some schedule as to what they're doing about their I & I before we start coming up with additional charges. I think we need to go to Readington Township, they need to know what the problem is, and we need to tell them what it is that we want them to do and work with them to do that rather than just shake our fists at them.

Mr. Kendzulak, Jr. – Who is our Readington Township liaison? I'm not talking about the Board level, I'm talking about the staff level; who there would we contact there?

Mr. LaFerla – Mr. Scott Jesseman is the one that I deal with.

Mr. Kendzulak, Jr. – Is it appropriate to reach out to him and say "we have concerns here, issues in regards to capacity and your exceedances' there" and keep it at the staff level first and at least convey the message to them and then they can bring it back that the Authority doesn't have a lot of capacity here and we don't want to be burning up capacity because they're not abiding by their limit.

Mr. Watts – The burden needs to be put on them that we want them to come up with a plan that makes sense to us in the near future to cut their flows.

Mr. Kendzulak, Jr. – It hurts us if we can't service our own COAH that we have here.

Mr. Watts – Even though we charge them by the gallon, they have no incentive to do any work. We'll start at that level and Mr. LaFerla and I will do the letter.

c) Commissioner's Comments:

None

7. **Discussion:**

a) 2nd Quarter 2018 Capacity Evaluation

Mr. Madden – Like I said previously, we were slightly over the 3.8 but this is not unusual; some quarters are going to run a little high, some are going to run a little low; in the spring it's going to run a little higher. I expect it to drop off a little bit in the next quarter.

b) Meal Reimbursement Limits

Mr. Kendzulak, Jr. – I know we talked about this at the last meeting. Ms. Nicaretta, you put together a list of what different entities do. One of the sites I had given you was the GSA.gov and you do have that in here.

Ms. Nicaretta – Three of the MUA's use that site; I don't remember which MUA said it but their auditor recommended they use that guideline because of transparency and she said that's when they started using the GSA guideline and there were two other MUA's who use that guideline.

Mr. Kendzulak, Jr. – I think the schools in Flemington – Raritan use it as a guide; the other thing, I see Raritan Township has a guide in here on what they do. I would say that's acceptable if we did that too.

Mrs. Robitzski – The \$55.00 per day?

Mr. Kendzulak, Jr. – If the Township has a policy they have adopted and we're consistent with what they have, then so be it.

Ms. Nicaretta – You need to let me know if you want to pass a resolution for this for the Personnel Manual.

Mr. Kendzulak, Jr. – I'm okay with being consistent with the Township.

c) Draft of Budget

Mr. Kendzulak, Jr. – We started our budget; Mr. Tully was at this last meeting?

Mr. LaFerla – Yes, Mr. Hazard wasn't at this last meeting but he was at the one before.

Mr. Kendzulak, Jr. – There have been two budget meetings already? There are some things I'd like to see populated, the estimated projected through.

Mr. LaFerla – Yes, we just haven't had the time.

Mr. Kendzulak, Jr. – I talked to Mrs. Struening about this earlier, we're waiting to get the bids in on the chemicals? I'm going to be active in this as well, maybe not in attending the meetings but I'd like to see this populated here so we can look through and see where we're at. Mr. LaFerla, is there anything you're aware of that may be significant amounts that you may be looking to jack things up? You mentioned a vehicle.

Mr. LaFerla – There's a vehicle, there's \$37,000.00; the trucks are just getting to the point where they're starting to rust significantly.

Mrs. Robitzski – Everything is included in the four million?

Mr. Tully – No, if you look, there are gaps.

Mr. LaFerla – All of the empty spots need to be filled. We're waiting for the wages and the bids for the chemicals.

Mr. Kendzulak, Jr. – Okay, so this will be populated. When do you think this will be populated?

Mr. LaFerla – Mrs. Struening and I will be working on it next week.

Mr. Kendzulak, Jr. – Okay, send it to me when this gets populated.

Mr. LaFerla – I'll send it to everybody.

Ms. Nicaretta – The chemical bid opening is August 1.

Mr. Kendzulak, Jr. – Obviously I'm interested in I & I and that we put sufficient money in there to continue looking for I & I.

Mr. LaFerla – I got prices for flow meters; it was \$15,000.00. It's on the line crew line item.

Mr. Tully – The other thing we did, we increased, which in my opinion based on us doing all this smoke testing, we may want to add into the emergency repair fund a little more than even what we have in there now because look what happened with Commerce Street. I'd rather have some in there for something like that and maybe not have to use it all than to come up with something like \$50,000.00; we should think about that.

Mr. LaFerla – We put money in there to repair a couple of roofs that are getting really bad. We put money in there to repair drives on the

clarifiers, where we can do them ourselves a lot cheaper than going out to bid and getting a contractor to do it.

Mr. Kendzulak, Jr. – I just want to make sure that there is a sufficient amount.

Mr. LaFerla – Mr. Madden put money in his line for I & I stuff too.

Mr. Kendzulak, Jr. – We plowing forward with this. Obviously to me, if it's a hole in the storm sewer system, the Township would fix it. If we do find certain things associated with I & I that's us, i.e. a busted pipe that we need to deal with whether we need to dig it up or what.

Mr. LaFerla – We put extra money in the line crew line too for the sleeves.

Mr. Kendzulak, Jr. – That's something that we haven't done before.

Mr. Tully – We added it into two spots, the line crew for the sleeves and the miscellaneous contingency where we bumped it up by \$10,000.00. I don't know if that \$10,000.00 is enough based on what happened with Commerce Street. I would want to assume next year we have one of those and have the money for it.

Mr. Madden – While you're talking about I & I; I can't account for the ACO; I don't know what they're going to ask for that.

Mr. Tully – That's a wild card.

Mr. Kendzulak, Jr. – How do we see that playing out? That should shake out and we'll have a better idea of what they'll require from us over the next couple of months before the final budget is adopted?

Mr. LaFerla – Hopefully, but I don't know.

8. Adjourn into Closed Session by Motion, if Needed

Chair Kendzulak, Jr. – We will be going into Closed Session to discuss Personnel Issues, Litigation Matters with NJDEP and Contractual Matters regarding the Flemington Borough Debt Service; we do not anticipate any official action will need to be taken once we come out of Closed Session.

Mr. Tully made a motion to adjourn into Closed Session for the above stated purpose and Mrs. Robitzski seconded the motion. Closed Session was from 5:58 pm – 7:09 pm.

9. Adjournment of Work Session:

Mrs. Robitzski made a motion to adjourn the Work Session. Mr. Tully seconded the motion. All were in favor. The Meeting ended at 7:10 pm.